(c) Air India and Indian Airlines have been constantly taking steps to upgrade their product. Some of the main steps taken to make them profitable are:—

(i) Improve the aircraft employee ratio.

(ii) Develop brand loyalty through improved customer facilitation.

(iii) Route rationalisation by re-deploying capacity on more profitable routes.

(iv) Maximise utilisation of fleet.

(v) Fleet rationalisation.

(vi) Supplementing Air India's core network with a secondary network of code share services through alliances with selected airlines.

(vii) Use of information technology for yield management, customer services and scheduling.

Suspension of dealing in shares of companies by BSE

*708. SHRI PREM CHAND GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that on the instructions of Securities and Exchange board of India (SEBI), the Bombay Stock Exchange has suspended the dealings in the shares of 97 companies;

(b) if so, the reasons therefor; and

(c) what steps Government propose to take to protect the interests of the small shareholders?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) SEBI has intimated that it had debarred 57 companies from associating with the capital market for five years as they had failed to comply with the listing agreement and were not traceable at their mentioned registered offices. In order to protect potential investors, SEBI also advised the stock exchanges to consider suspension of trading of scrips of these companies. In compliance. The Stock Exchange, Mumbai (BSE) suspended trading of scrips of 25 companies out of the 57 companies identified by SEBI. Of the remaining 32 companies, 15 had been delisted earlier and 17 were not listed on BSE. BSE has intimated that most of the securities which are under suspension were inactive scrips, in the sense that no trading was taking place in these scrips for a long period of time.

A stock exchange can suspend trading of scrips of a company for any violation of the listing agreement, suspected price manipulation in scrips, directions from regulatory authorities including SEBI and suspension of scrips by other stock exchanges. The listing agreement, *inter alia*, contains requirements relating to dissemination of information to the market and corporate governance. If the company concerned does not comply with these requirements, investment decisions taken by investors may not be adequately informed. However, suspension of trading can affect existing investors adversely since it may not leave an exit route. Therefore, whenever suspension is to be effected, prior intimation is given to the market. As a result, potential investors are warned while the existing investors have advance intimation. The suspension is revoked when the company complies with the requirements of listing.

Loopholes in Anti-defection Law

*709. SHRI GHULAM NABI AZAD: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government agree that there are some loopholes in the anti-defection law;

(b) if so, whether any measures are being taken to rectify the same; and

(c) if so, the details thereof?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RAM JETHMALANI): (a) to (c) Yes, Sir. The Government is aware of shortcomings in the Anti-defection Law. Proposals relating to amendment of the law were accordingly included in the agenda for the meeting of political parties held on the 22nd May, 1998 but the discussion on the issue was deferred. In case, a consensus emerges amongst political parties on amendments to be made in the law, the Government would consider to bringing a Bill for giving effect to the proposals.

World Water Forum Conference

*710. SHRI K. KALAVENKATA RAO:
SHRI YADLAPATI VENKAT RAO:

Will the Minister of WATER RESOURCES be pleased to state:

(a) whether Godavari Water issue was discussed at the Hague meet of the World Water Forum Conference which was held from 16th to 23rd March; and